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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/480,724	01/07/2000	ROBERT CAREY	12640US01	4660

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EXAMINER
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DASS, HARISH T

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 01/11/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/480,724

Applicant(s)

CAREY ET AL.

Examiner

Harish T Dass

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 30 July 2004.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 20-39 and 42 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 20-39 and 42 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### DETAILED ACTION

Claims 40-41 are canceled.

#### ***Claim Rejections - 35 USC § 103***

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 20-39 and 42 are rejected under 35 U.S.C. 103(a) as being unpatentable over O'Shaughnessy U.S. Patent 6,317,726 in view of "India: Financial ratios: Making sense of the numbers, Businessline; Islamabad; Dec 26, 1999" (hereinafter Businessline).

Re. Claims 20 and 42, O'Shaughnessy substantially discloses the present invention where computer is used to analyze stock market historical database and evaluate how does capitalization affects stocks' (securities) performance and to select corporate stocks (securities) based on certain criteria, sorting (ranking) records to identify stocks (securities) which meet the criteria, and portfolio returns can be determined by number factors (price-to-earning ratio, etc) and their combinations, additionally, discloses computer-readable medium [see entire document particular - Abstract; Figures 1-17; C1 L15-L62; C2 L9-L15; C6 L36-L55; C9 L23-L26; C11 L15-L18; C12- L58-L65; claims], calculating price appreciation for each of said available securities [Abstract; C1 L29-L31; C9 L27-L32], calculating a price to cashflow ratio for each of said available

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securities [C1 L29-L31; C5 L19-L24; C10 L55-L56], ranking (sort) at least some of the available securities according to said price appreciation, said price to cashflow ratio and "All value factors" (which suggests "return on assets ratio" included) to form a group of ranked securities [C1 L29-L31; C9 L27-L31; C10 L55-L56; C14 L17-L19; C18 L12-L46; C15 Table 17-1, Tables 13A & 14], and selecting at least some of the ranked (sorted) securities to form a group of selected securities [Fig. 7; C9 L1 to C10 L62; C14 L17-L19]. O'Shaughnessy, does not explicitly disclose calculating a return on assets ratio for each of said available securities. However, Businessline discloses the step to find out the extent of profitability of scrip (securities) [entire article]. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to combine the teaching of O'Shaughnessy and Businessline to pickup the best rated scrip (securities) in its peer group with highest evaluation with highest return.

Re. Claim 21, O'Shaughnessy discloses selection of 50 stocks, but explicitly, does not disclose wherein said group of available securities comprises 100 stocks of the Nasdaq 100 index. However, Nasdaq 100 index is well known and is not inventive step. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to modify the teaching of O'Shaughnessy and include selection of securities comprises 100 stocks of the Nasdaq 100 index to provide enhanced diversification of securities basket.

Re. Claim 22, O'Shaughnessy substantially discloses averaging and sorting, ranking the available securities according to said price appreciation so that each of said available securities is assigned one or more price appreciation ranks [C1 L29-L31; C9 L27-L31; C10 L55-L56; C14 L17-L19; C18 L12-L46; C15 Table 17-1, Tables 13A & 14], ranking the available securities according to said return on assets ratio (see "All value factors) so that each of said available securities is assigned a separate return on assets ratio rank [C1 L29-L31; C9 L27-L31; C10 L55-L56; C14 L17-L19; C18 L12-L46; C15 Table 17-1, Tables 13A & 14], ranking said available securities according to said price to cashflow ratio so that each of said available securities is assigned a separate price to cashflow rank [C1 L29-L31; C9 L27-L31; C10 L55-L56; C14 L17-L19; C18 L12-L46; C15 Table 17-1, Tables 13A & 14], and determining for each of said available securities an average rank comprising the average of the one or more separate price appreciation ranks, separate return on assets ratio rank and separate price to cashflow ratio rank for said security [abstract; C2 L9-L24; C3 Table 1; C13 L46-L47].

Re. Claim 23, O'Shaughnessy substantially discloses average and ranking, and wherein said calculating price appreciation comprises calculating a first rate of price appreciation over a first predetermined time period (one-year) and a second rate of price appreciation over a second predetermined time period (six month) different than said first predetermined time period, wherein said ranking the available securities according to said price appreciation comprises ranking the available securities according to said first rate so that each of said available securities is assigned a separate first rate rank

and ranking the available securities according to said second rate so that each of said available securities is assigned a separate second rate rank and wherein said determining comprises determining for each of said available securities an average rank comprising the average of the separate first rate rank, the separate second rate rank, the separate return on assets ratio rank (see "All value factors") and the separate price to cashflow ratio rank [see Re. claim 20 and C13 L31-L41; C1 L29-L31; C9 L27-L32; C5 L19-L24; C10 L55-L56; C9 L27-L31; C10 L55-L56; C14 L17-L19; C18 L12-L46].

Re. Claim 24, O'Shaughnessy substantially discloses sorting (ranking), wherein said ranking consists only ranking at least some of the available securities according to said price appreciation, said return on assets ratio and 'said price to cashflow ratio [C1 L29-L31; C9 L27-L31; C10 L55-L56; C14 L17-L19; C18 L12-L46; C15 Table 17-1, Tables 13A & 14].

Re. Claim 25, O'Shaughnessy discloses wherein said ranking comprises ranking at least some of the available securities according to capitalization of said available securities [Fig. 7; C1 L29-L31; C9 L27-L31; C10 L55-L56; C14 L17-L19; C18 L12-L46; C15 Table 17-1, Tables 13A & 14].

Re. Claim 26, O'Shaughnessy discloses wherein said selecting comprises selecting a predetermined number of said ranked securities [Fig. 7; C1 L29-L31; C9 L27-L31; C10 L55-L56; C14 L17-L19; C18 L12-L46; C15 Table 17-1, Tables 13A & 14].

Re. Claim 27, O'Shaughnessy discloses wherein said predetermined number is 15 or less [C2 L19; C15 L29].

Re. Claim 28, O'Shaughnessy discloses wherein said calculating price appreciation comprises calculating a first rate of price appreciation over a first predetermined time period [see Re. claims 20, 23 and C13 L31-L41; C1 L29-L31; C9 L27-L32; C5 L19-L24; C10 L55-L56; C9 L27-L31; C10 L55-L56; C14 L17-L19; C18 L12-L46].

Re. Claim 29, O'Shaughnessy discloses calculating a first rate of the price history of each of the available securities over said first time period [see Re. claim 28].

O'Shaughnessy, explicitly, does not disclose use of regression analysis. However, use of regression analysis is well known and is not an inventive step. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to modify the teaching of O'Shaughnessy to use regression analysis to develop a statistical model to predict the values dependent variable based on value of at least one independent variable.

Re. Claim 30, O'Shaughnessy discloses wherein said calculating price appreciation further comprises calculating a second rate of price appreciation over a second predetermined time period different from said first predetermined time period [see Re.

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claims 20, 23 and C13 L31-L41; C1 L29-L31; C9 L27-L32; C5 L19-L24; C10 L55-L56; C9 L27-L31; C10 L55-L56; C14 L17-L19; C18 L12-L46].

Re. Claims 31 and 32, they are rejected on the same rational of claim 29.

Re. Claim 33, O'Shaughnessy discloses purchasing at least some of said group of selected securities to form a group of purchased securities [C15 L29]

Re. Claim 34, O'Shaughnessy discloses wherein said purchased securities are weighted by market capitalization [C3 L19-L34].

Re. Claim 35, O'Shaughnessy discloses wherein said method further includes creating a unit investment trust (S&P 500 which is a trust and holds a portfolio of securities) comprising said purchased securities [Abstract; C2 L9-L20].

Re. Claim 36, O'Shaughnessy discloses wherein said unit investment trust has a life of 13 months or more [C2 L43-L61].

Re. Claims 37-39, O'Shaughnessy discloses wherein said method further includes creating a pooled investment vehicle (stocks) comprising said purchased securities. However, O'Shaughnessy explicitly does not disclose variable annuity and investment accounts. These investment vehicles such as pensions account (IRA), insurance,



mutual fund account, etc are well known investment vehicles. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to modify the teaching of O'Shaughnessy and include purchasing annuity and creating investor accounts to diversify and pool additional investment (pool) to increase market capitalization.

### ***Response to Arguments***

2. In response to applicant's argument "none of the cited passages of O'Shaughnessy teach or suggest a combination of price appreciation and price to cash flow ratio..." that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, O'Shaughnessy is modified by Businessline to include missing limitation. In response to Applicant argument (remarks-page 9 lines 18-22) that "O'Shaughnessy states: However, ...", Examiner's interpretation is O'Shaughnessy knew that there are more factors that he claimed and since adding them did not improve the performance, they were excluded which are obvious to reliability and risk assessment experts and engineers. Further Ranking and sorting is known in database (spread sheet). In response to applicant's argument that

the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., combination of price appreciation ...) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

### ***Conclusion***

**3. THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.


Any inquiry concerning this communication or earlier communications from the examiner should be directed to Harish T Dass whose telephone number is 703-305-4694. The examiner can normally be reached on 8:00 AM to 4:50 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S Sough can be reached on 703-308-0505. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Harish T Dass  
Examiner  
Art Unit 3628

11/3/04

  
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